

Message Text

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ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01

DODE-00 PA-02 USIA-15 PRS-01 AGR-10 /116 W

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R 211903Z FEB 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8549

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

RUFHHELTATGMBASSY PARIS 3347

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

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E.O. 11652: N/A

TAGS: UK, ELAB

SUBJECT: UNEMPLOYMENT, REDUNDANCIES, LAYOFFS AND
SHORT-TIME WORKING ON THE INCREASE IN THE UNITED KINGDOM

1. SUMMARY. UNEMPLOYMENT IN THE UK INCREASED SHARPLY
IN FEBRUARY TO ALMOST 800,000 OR 3.4 PERCENT OF THE LABOR
FORCE, WHILE THE NUMBER OF VACANCIES DECREASED DRAMATI-
CALLY. THOUGH THE FIGURES ARE BETTER THAN SOME OF THE
MORE PESSIMISTIC FORECASTS, THEY CLEARLY SHOW AN
ACCELERATING CONTRACTION OF THE LABOR MARKET. THIS
TREND IS SHOWN UP IN PARTICULAR IN THE GROWING NUMBER
OF WORKERS EITHER BEING MADE REDUNDANT OR LAID OFF AS
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WELL AS IN THE INCREASING AMOUNT OF SHORT-TIME WORKING

IN INDUSTRY. SINCE THE UNEMPLOYMENT COUNT WAS TAKEN ON FEBRUARY 10, FORD, CHRYSLER AND BRITISH LEYLAND AMONG OTHER COMPANIES HAVE ANNOUNCED PLANS FOR EXTENDING SHORT-TIME WORKING WHILE IN THE TEXTILE INDUSTRY UP TO 8,000 JOBS STAND TO BE LOST. END SUMMARY.

2. LATEST STATISTICS ISSUED BY THE DEPARTMENT OF EMPLOYMENT SHOW THAT 790,892 PEOPLE WERE TOTALLY UNEMPLOYED IN THE UK ON FEBRUARY 10. THIS WAS AN INCREASE OF ABOUT 14,000 SINCE THE ESTIMATED COUNT IN JANUARY AND OF 137,889 SINCE NOVEMBER 1974 WHEN THE LAST FULL COUNT WAS TAKEN, A DISPUTE HAVING PREVENTED THE DECEMBER AND JANUARY STATISTICS FROM BEING COMPILED. THE GREAT BRITAIN TOTAL, NORTHERN IRELAND EXCLUDED, STOOD AT 756,201 OR 3.3 PERCENT, AN INCREASE OF 14,000 SINCE JANUARY AND 134,764 SINCE NOVEMBER. SEASONALLY ADJUSTED AND EXCLUDING SCHOOL LEAVERS AND ADULT STUDENTS, THE GB TOTAL, WHICH BEST SHOWS THE UNDERLYING TREND, STOOD AT 703,300 OR 3.1 PERCENT, AN INCREASE OF 90,500 SINCE NOVEMBER OR SOME SIX TIMES THE INCREASE IN THE THREE MONTHS TO NOVEMBER.

3. THE NUMBER OF REDUNDANCIES NOTIFIED TO THE DE HAS INCREASED SUBSTANTIALLY OVER RECENT MONTHS. IN JANUARY THERE WERE AROUND 25,000 AGAINST 13,100 IN DECEMBER 1974 AND ONLY 8,800 IN JANUARY OF LAST YEAR. FOR 1974 AS A WHOLE, THE TOTAL IS ESTIMATED AT 128,000 AGAINST 82,000 IN 1973. AT THE SAME TIME, THERE HAS BEEN A SHARP DROP IN THE NUMBER OF JOBS AVAILABLE. BETWEEN NOVEMBER AND FEBRUARY VACANCIES FOR ADULTS FELL BY ABOUT THIRTY PERCENT TO 180,600 WHILE ON A SEASONALLY ADJUSTED BASIS THERE WAS A DROP OF ABOUT 80,100 TO 192,400.

4. THE UNEMPLOYMENT TOTAL DOES NOT INCLUDE THE NUMBER OF WORKERS TEMPORARILY LAID OFF. ON FEBRUARY 10 THESE NUMBERED 57,189 IN GREAT BRITAIN AND 2,174 IN NORTHERN IRELAND. HOWEVER, SINCE THE COUNT WAS TAKEN THE NUMBER OF PEOPLE LAID OFF OR ON SHORT TIME WOULD APPEAR TO HAVE

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INFO AMEMBASSY BONN

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RISEN SIGNIFICANTLY PARTICULARLY IN THE MOTOR INDUSTRY. AT BRITISH LEYLAND, PLANS HAVE BEEN ANNOUNCED FOR SOME 11,000 WORKERS TO BEGIN SHORT-TIME WORKING IN MARCH, WHILE AT FORD ABOUT 11,000 OUT OF 55,000 EMPLOYEES WILL PROBABLY BE SIMILARLY AFFECTED, AT CHRYSLER ABOUT 10,000 AND AT VAUXHALL ABOUT 6,000. A FURTHER 15,000 TO 20,000 WORKERS AT MAJOR COMPONENT SUPPLIERS ARE ALSO ON SHORT-TIME.

5. ONE OF THE FIRST REACTIONS TO THE UNEMPLOYMENT FIGURES CAME FROM JACK JONES, LEADER OF THE TRANSPORT AND GENERAL WORKERS' UNION (TGWU) WHO FORESAW A "VERY SERIOUS ECONOMIC SITUATION IN TERMS OF UNEMPLOYMENT
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BEFORE LONG." HE CALLED FOR "URGENT WORK PROGRAMS" TO BE PUT IN HAND BY THE NATIONALIZED INDUSTRIES, FOR A

BIGGER HOUSING PROGRAM, FOR A CAMPAIGN TO PERSUADE
PEOPLE TO "BUY BRITISH" AND FOR SELECTIVE IMPORT CONTROLS
THE TRADE UNION VIEW GENERALLY WILL PROBABLY BE PUT AT
A MEETING OF THE TUC-LABOR PARTY LIAISON COMMITTEE ON
FEBRUARY 24 PRIOR TO PUBLICATION OF THE TUC ECONOMIC
REVIEW FOR 1975 WHICH WILL CONTAIN THE TUC'S SUBMISSIONS
TO THE CHANCELLOR FOR THE SPRING BUDGET.

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